GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:4192
ANSWERED ON:20.08.2001
SALES TAX AND DUTIES ON A.T.F.
SURESH RAMRAO JADHAV (PATIL)

Will the Minister of CIVIL AVIATION be pleased to state:

(a)whether the Government propose to bring a legislation to grant outright exemption from the payment of custom duties, sales tax and local duties on `Aviation Turbine Fuel` (A.T.F.) uplifted by aircraft of international carriers in persuance of the Air Services Agreement;

(b) if so, whether the Government are aware that this exemption of tax places Air India at a disadvantage position vis-a-vis its competitors;

(c) if so, the remedial measures proposed to be taken by the Government to provide relief to Air India from the above mentioned charges in order to bring it at par with other foreign airlines?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a): A Bill has been introduced in Parliament to enact a legislation under Article 253 of the Constitution to exempt from all duties and taxes, the fuel and lubricants uplifted by an aircraft registered in another state operating international services to,from and through India.

(b): Yes Sir.

(c): Ministry of Law has suggested that CentralSales Tax Act will have to be amended to render sale and supply of Aviation Turbine Fuel (ATF) to Air India unchargeable to local sales tax.